

Global Access for Small Business

Ex-Im Bank is proud to partner with America's small businesses as we work to create jobs and grow our economy. According to the U.S. Small Business Administration, small businesses create two of every three new jobs in the United States, and more than half of employed Americans either work for or own a small business. Helping small businesses reach the 95 percent of the world's consumers who live outside of the United States supports jobs here at home and is a critical part of the Bank's mission.

President Obama's National Export Initiative (NEI) has set a goal of doubling total U.S. exports by 2015. Working with the Administration, the Bank is emphasizing the role of small business in the NEI by setting goals to generate at least \$9 billion a year in annual small-business authorizations and to add a cumulative 5,000 new small-business customers by 2015.

Ex-Im Bank is working hard to achieve these goals. Over the five-year period from FY 2008 to FY 2012, the Bank nearly doubled its financial support for small-business exporters. The Bank's total FY 2012 small-business authorizations were \$6.1 billion – more than two-thirds of the NEI target authorization level.

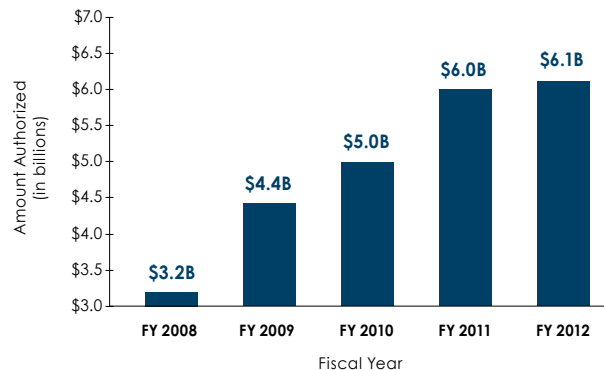
The Bank's guarantee, insurance and direct-loan support for small businesses accounted for more than 86 percent of Ex-Im's transactions every year for the past four years, with a high mark of almost 88 percent in FY 2012.

By the end of FY 2012, the Bank had added 1,900 new small businesses as customers – well on the way to achieving the NEI target.

Ex-Im Bank's goals are being reached by broadening the exporter base. Since the launch of the Global Access for Small Business initiative in January 2011, Chairman Fred Hochberg, Ex-Im board members and Bank staff have conducted direct outreach to small businesses in town-hall style discussions, known as Global Access Forums, all across the country. These forums are providing small enterprises with the insights, resources and expertise they need to reach customers beyond U.S. borders. The Bank has sponsored more than 40 Global Access Forums nationwide since January 2011, attended by thousands of participants through the end of FY 2012.

The Bank also communicates with small businesses through the small-business portal on the Bank's Web site and through free webinars. (See 'Customer-Centered Approach' on page 11.)

Ex-Im Bank Small-Business Authorizations



Small businesses access most of the Bank's financing products through Ex-Im Online – the Bank's online application and transaction management system. In FY 2012, more than 85 percent of Ex-Im Bank's small-business transactions were submitted online.

Small-Business Support

Ex-Im Bank is providing export financing to an increasing number of U.S. small businesses, particularly those smaller companies with fewer than 100 employees, minority-owned companies and woman-owned companies.

In FY 2012, Ex-Im Bank authorized an all-time high of \$6.1 billion in direct support to U.S. small businesses as primary exporters – 17 percent of total Ex-Im authorizations. The dollar volume represents a 1.4 percent increase over small-business authorizations in FY 2011.

The number of transactions tells an even more significant story. In FY 2012, the Bank approved a record 3,313 small-business authorizations, which constituted nearly 88 percent of the total number of Ex-Im transactions.

By the close of the fiscal year, 650 U.S. small businesses had used Ex-Im products for the first time. The Bank authorized amounts under \$500,000 for more than 1,730 small-business transactions.

While large transactions may get the headlines, Ex-Im Bank's financings for large U.S. exporters are frequently beneficial to small businesses as well. Many small enterprises serve as suppliers for U.S. exporters in large transactions and derive business indirectly from Ex-Im's long-term loans and guarantees.

These transactions typically are for \$10 million or more and/or have a repayment term in excess of seven years. At the time of authorization, the Bank captures the value provided by small-business suppliers by estimating the participation of small businesses in the overall long-term transaction.

For FY 2012, Ex-Im Bank estimates that the approximate export value of this indirect small-business support was \$1.4 billion out of a total estimated export value of \$25.3 billion. This represents more than 5.5 percent of the total estimated export value associated with the Bank's long-term transactions.

Minority-Owned and Woman-Owned Small-Business Support

The Bank is working hard to ensure that the rich diversity of the nation's business ownership community is reflected in its increased outreach to small business and that minority-owned and woman-owned small businesses are included in the NEI drive to double U.S. exports by 2015.

In FY 2012, Ex-Im Bank authorized a historic high of \$838 million to support exports by 685 U.S. small and medium-sized businesses owned by minorities and/or women. This financing is a new record and represents a nearly 17 percent increase over FY 2011. The Bank also authorized \$295 million in working capital guarantees for these companies – 14 percent of total working capital authorizations.

Small-Business Products

Ex-Im Bank enables U.S. small-business exporters to obtain export-credit insurance, working capital and direct loans not always available to them in private markets. In doing so, the Bank helps to ensure that small U.S. exporters get paid by their overseas customers, that they can fund the production of goods and services for export, and that foreign buyers can purchase goods and services from American small businesses.

In many cases, Ex-Im Bank is the only institution able to provide small-business exporters with the tools they need to mitigate risk and compete internationally because these firms are often too small for commercial banks to service profitably. This has been especially true during the past few years of economic uncertainty, as commercial banks have substantially diminished direct underwriting of export-finance transactions.

Ex-Im Bank's three main product lines address the three fundamental needs of small businesses. First, the Bank insures the payment of foreign receivables through export-credit insurance. Second, Ex-Im Bank funds export-related inventory and receivables through guarantees of working capital loans provided by commercial lenders under delegated lending authority, direct loans under the Bank's Global Credit Express Program and discounted receivables financing under the Supply-Chain Financing Program. Third, the Bank ensures payment sources for the foreign buyers through medium-term loans, guarantees and insurance.

Woman-Owned Services Company Lands Project in Saudi Arabia With Ex-Im Bank Small-Business Products

Exporter/Location:	Team Askin Technologies Inc., Fairfax, Virginia
Destination Market:	Saudi Arabia
Ex-Im Bank Product:	Working Capital Loan Guarantee and Single-Buyer Export-Credit Insurance
Jobs Supported:	25

Team Askin Technologies Inc. (TATI) is a 45-employee, woman-owned company that provides software and consulting services, including regulatory information management systems and aviation regulatory expertise. In late 2009, TATI was awarded a large multimillion dollar contract by the Kingdom of Saudi Arabia General Authority of Civil Aviation in Jeddah. The contract services included developing and implementing aviation regulations, policy and guidance materials, inspector training, safety management system programs and an authorization document system.

TATI President and CEO Debby Askin realized that her company needed working capital for this major project and obtained a \$2.8 million working capital loan from PNC Bank backed by an Ex-Im Bank guarantee. The funds were used to post the bond requirement for the project and provide more resources to complete it. The company then worked with Global Insurance Services to obtain Ex-Im Bank's single-buyer export-credit insurance policy of \$5 million to mitigate the risk of nonpayment.

"The working capital allowed us to post the 10 percent bond required by our contract," said Ms. Askin. "Most small businesses do not have that amount of disposable working capital. Thanks to the loan guarantee provided by Ex-Im Bank, we were able to obtain the funds to meet this important contract and increase our exports tenfold."



Debbie Askin, CEO of Team Askin Technologies Inc (TATI).
Photo courtesy of TATI.

Export-credit insurance represents about one-third of the small-business activity in terms of authorization dollar-volume, but accounts for almost 90 percent of the customer activity. Working capital guarantees, Global Credit Express direct loans and Supply-Chain financing combined account for another third of the authorization dollar volume and nearly 10 percent of Ex-Im Bank's small-business customers. At present, buyer-finance (medium-term financing) represents the remaining third in authorization dollar-volume but only 1 percent of the customer base.

In FY 2012, the Bank approved \$5.7 billion in total export-credit insurance authorizations, of which small-business authorizations comprised \$3.2 billion, or 56 percent by dollar volume. Small-business use is even more pronounced when measured by the number of policies, however. The Bank issued 2,760 insurance policies to small-business exporters, representing 91 percent of the total number of insurance policies in FY 2012.

Small businesses also received the substantial majority of the Bank's working capital guarantees: 64 percent of these guarantees went to small businesses, totaling over \$2 billion.

New Product

Because U.S. small-business exporters often have difficulty getting credit, Ex-Im Bank launched a direct lending pilot program called Global Credit Express to provide a source of working capital. The Bank is working with a cross-section of national, regional and community banks that have been approved as originating financial institutions that are referring applications to Ex-Im Bank. The framework to underwrite, document and fund these loans is in place, and the Bank is looking to grow small-business exports through this new product.

Outreach to Small-Business Owners

In conjunction with the Ex-Im Bank's Global Access initiative, the Bank opened three new regional Export Finance Centers in FY 2012: Atlanta, Minneapolis and Seattle. An additional new office opened in Detroit in December 2012. These centers assist local small businesses in realizing the economic opportunities of international markets and provide them with enhanced access to Ex-Im Bank products.

Maryland Family-Owned Company Achieves Global Success with Ex-Im Bank

Exporter/Location:	Patton Electronics Co., Gaithersburg, Maryland
Destination Market:	Worldwide
Ex-Im Bank Product:	Working Capital Loan Guarantee
Jobs Supported:	200

Patton Electronics Company of Gaithersburg, Md., is a classic family-owned, "Made It in America" success story. The start-up company was founded in 1984 by two brothers, Bobby and Burt Patton, when they were students at the University of Maryland.

Patton makes modems, routers and connectivity products for the telecommunications industry – basically the infrastructure for modern telecommunications systems. The company has been using an Ex-Im Bank-guaranteed \$4 million working capital revolving loan since 2000 to grow its international business. The line of credit enables the company to purchase inventory and finance receivables. Today, Patton Electronics sells more than 2,000 products in over 120 countries around the world. Exports make up about 70 percent of Patton's \$30 million business, and the company's workforce has grown to over 200 employees.

The company's president, Bobby Patton, has been asked why he hasn't moved his factory offshore. His response is that he would never sacrifice the quality, craftsmanship or flexibility to adapt his products to meet market needs. He believes that having his product designers working closely to the shop floor gives him a competitive edge and it allows him to innovate faster and more efficiently. For the Pattons and their customers, "Made in the USA" means something. Customers appreciate the reliability of Patton's products, straightforward approach to business and customer service.

"I truly understand the importance of international trade and the impact it can have on small business," said Patton President Bobby Patton. "It's simple: We want to ship to more countries, grow our client base and create more jobs. Ex-Im Bank's financing has helped me to sustain more than 200 jobs."



Patton Electronics Co. employees, with **President Bobby Patton** (front row, third from left) and **co-founder Burt Patton** (front row, center). Photo courtesy of Patton Electronics Co.

Top 10 States in Ex-Im-Supported Small-Business Exports in FY 2012

Rank	State	Small-Business Export Value*
1	Texas	\$832 million
2	California	511 million
3	Florida	494 million
4	Pennsylvania	282 million
5	New York	260 million
6	Indiana	165 million
7	Georgia	151 million
8	Wisconsin	117 million
9	Minnesota	111 million
10	Ohio	110 million

Top 10 Country Markets of Ex-Im-Supported Small-Business Exports in FY 2012

Rank	Country Market	Export Value*
1	Mexico	\$455 million
2	Colombia	106 million
3	Brazil	40 million
4	Panama	17 million
5	Turkey	14 million
6	Dominican Republic	11 million
7	Argentina	10 million
8	Canada	10 million
9	Saudi Arabia	8 million
10	Nicaragua	7 million

* Estimated export value based on Ex-Im Bank disbursements

Ex-Im Bank also has Export Finance Centers in New York; Miami; Houston; Dallas; Chicago; Newport Beach, Calif.; San Diego and San Francisco. Staff members in all of these regional centers are focused exclusively on helping local small businesses begin exporting or expand their export sales. (See map of Ex-Im Bank Regional Export Finance Centers on page 84.)

Bank staff members have participated in 155 seminars nationwide sponsored by women-business centers, small-business associations, minority-focused chambers of commerce and other organizations. Additionally, the Bank sponsors half-day seminars for small-business owners to provide training on how to use U.S. government resources to find foreign buyers and utilize trade-finance tools.

Increased Lender/Broker Participation

Ex-Im Bank leverages its resources on behalf of small businesses by working with private-sector lenders, insurance brokers and other financial and trade institutions. By the end of FY 2012, 132 lenders were enrolled in Ex-Im's Working Capital Guarantee Program, 114 of which have delegated authority to provide Ex-Im's guarantee for working capital loans without prior approval from the Bank. A total of nine new lenders were added to the Bank's lenders list in FY 2012.

An additional 23 brokers serving small businesses were added to the Bank's roster of 100 active brokers providing Ex-Im's insurance products.

Ex-Im Insurance Supports Texas Small Business's Agricultural Aircraft Sales to Argentina and Brazil

Exporter/Location:	Air Tractor, Olney, Texas
Destination Market:	Argentina and Brazil
Ex-Im Bank Product:	Medium-Term Export-Credit Insurance
Jobs Supported:	135



Photo courtesy of Air Tractor.

A Brazilian soybean grower needed agricultural spray aircraft. A Texas small business manufactures the turbo prop planes that fit the bill. Ex-Im Bank authorized medium-term insurance that made the transaction possible, creating and supporting jobs in Olney, Texas.

Air Tractor is an Olney-based company that employs 270 people to build its agricultural aircraft and customized equipment. The company is an experienced exporter, selling about 2,800 aircraft to buyers on six continents since 1972. Ex-Im Bank has been an important partner in this activity. Over the past 17 years, Air Tractor has utilized Ex-Im's medium-term insurance to export approximately \$100 million worth of its planes, primarily to small private-sector buyers in Argentina and Brazil.

In the FY 2012 Brazilian transaction, Ex-Im Bank's medium-term insurance supported the export of Air Tractor's model AT-502B, a single-engine turbo-prop aircraft custom-outfitted with a 500-gallon hopper that can be utilized for firefighting, spraying, seeding or fertilizing crops in the state of Mato Grosso.

This is one of more than 40 export sales that Ex-Im Bank has helped to finance for Air Tractor, supporting 135 jobs in production and sales management.

"The export-finance products of Ex-Im Bank have been invaluable to Air Tractor in supporting our growth in the international market over the last 15 years," said David Ickert, chief financial officer of Air Tractor. "The Bank's products and hard-working employees are key to our export growth and job creation."